

**Audited Financial Statements  
and Other Financial Information  
Organizacion en California de Lideres Campesinas, Inc.  
Year ended June 30, 2008  
with Report of Independent Auditors**

04641

Organizacion en California de Lideres Campesinas, Inc.  
Table of Contents

	<u>Page</u>
<b>Report of Independent Auditors</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
<b>Supplementary Information</b>	
Schedule of Functional Expenses	
Year Ended June 30, 2008	10
Year Ended June 30, 2007	11
Schedule of Expenditures of Federal Awards	12
Schedule of Expenses for Office of Emergency Services	
Grant Number FW 07 11 1575	13
Grant Number FW 06 10 1575	14
<b>Report of Independent Auditors on Compliance and Internal Control</b>	
Report on Compliance and Internal Control over Financial Reporting based on Audit of Financial Statements performed in accordance with Government Auditing Standards	15
Report on Compliance with certain provisions of the Office of Emergency Services Grantee Handbook	17
Schedule of Current Year Audit Findings for Office of Emergency Services	19
Status of Prior Year Audit Findings for Office of Emergency Services	20



## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of  
Organizacion en California de Lideres Campesinas, Inc.**

We have audited the accompanying statement of financial position of Organizacion en California de Lideres Campesinas, Inc. (a nonprofit organization) as of June 30, 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Organizacion en California de Lideres Campesinas, Inc. as of June 30, 2007 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated May 30, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Organizacion en California de Lideres Campesinas, Inc. as of June 30, 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2009 on our consideration of Organizacion en California de Lideres Campesinas, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Organizacion en California de Lideres Campesinas, Inc. taken as a whole. The accompanying schedules of functional expenses, schedule of expenditures of federal awards, and schedules of expenses for Office of Emergency Services (as required by the *Office of Emergency Services Grantee Handbook* issued by the State of California Governor's Office of Criminal Justice Program Division) are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Sapon Higuera & Casillas, LLP*

Upland, California

April 3, 2009

**Organizacion en California de Lideres Campesinas, Inc.**  
**Statement of Financial Position**

	June 30,	
	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 44,284	\$ 17,428
Grants Receivable	20,180	37,768
Miscellaneous Receivables	10,685	14,942
Prepaid Expenses	<u>2,978</u>	<u>19,100</u>
Total Current Assets	78,127	89,238
Furniture and Equipment, Net	<u>-</u>	<u>606</u>
Total Assets	<u>\$ 78,127</u>	<u>\$ 89,844</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	\$ 25,809	\$ 26,225
Accrued Liabilities	11,855	5,682
Line of Credit	<u>35,302</u>	<u>38,440</u>
Total Liabilities	72,966	70,347
Net Assets		
Unrestricted (Deficit)	(20,556)	(78,031)
Temporarily Restricted	<u>25,717</u>	<u>97,528</u>
Total Net Assets	5,161	19,497
Total Liabilities and Net Assets	<u>\$ 78,127</u>	<u>\$ 89,844</u>

See accompanying notes to financial statements

**Organizacion en California de Lideres Campesinas, Inc.**  
**Statement of Activities**  
**For the Years Ended June 30, 2008 and 2007**

	<b>For the Year Ended June 30,</b>	
	<b>2008</b>	<b>2007</b>
<b>Unrestricted Revenues and Other Support</b>		
Federal and State Grants	\$ 198,106	\$ 208,001
Private Grants and Donations	84,316	290,219
Other Income	38,610	16,779
Total Unrestricted Revenues and Other Support before Net Assets Released from Restriction	321,032	514,999
Net Assets Released from Restriction	134,973	180,957
Total Unrestricted Revenues and Other Support	456,005	695,956
<b>Expenses</b>		
Program Expenses		
Working Conditions	17,966	53,504
Family Violence	223,824	252,995
Organizational and Leadership Development	82,122	205,492
Youth	40,248	48,616
Women's Health	79,910	132,564
Other Programs	45,256	41,718
Total Expenses before Capitalization and Depreciation of Reversionary Equipment	489,326	734,889
Change in Unrestricted Net Assets before Capitalization and Depreciation of Reversionary Equipment	(33,321)	(38,933)
Depreciation of Reversionary Equipment	-	(394)
Change in Unrestricted Net Assets	(33,321)	(39,327)
<b>Temporarily Restricted Net Assets</b>		
Foundation Grants and Contributions	153,958	116,096
Net Assets Released from Restriction	(134,973)	(180,957)
Change in Temporarily Restricted Net Assets	18,985	(64,861)
Change in Net Assets	(14,336)	(104,188)
<b>Net Assets</b>		
Beginning of Year	19,497	123,685
End of Year	\$ 5,161	\$ 19,497

See accompanying notes to financial statements

**Organizacion en California de Lideres Campesinas, Inc.**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2008 and 2007**

	<u>For the Year Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (14,336)	\$ (104,188)
Adjustments to Reconcile Change in Net Assets to Net Cash from (used) in Operating Activities		
Depreciation	606	2,207
Decrease in Grants Receivable	17,588	195,312
(Increase) Decrease in Miscellaneous Receivable	4,257	(3,758)
(Increase) Decrease in Prepaid Assets	16,122	(17,137)
Increase (Decrease) in Accounts Payable	(416)	17,267
Increase in Accrued Liabilities	6,173	1,006
Decrease in Contract Advances	-	(160,056)
<b>Net Cash from (used) in Operating Activities</b>	<u>29,994</u>	<u>(69,347)</u>
<b>Cash Flows from (used) in Financing Activities</b>		
Line of Credit	<u>(3,138)</u>	<u>38,440</u>
<b>Net Increase (Decrease) in Cash</b>	26,856	(30,907)
<b>Cash Balance at Beginning of Year</b>	17,428	48,335
<b>Cash Balance at End of Year</b>	\$ <u><u>44,284</u></u>	\$ <u><u>17,428</u></u>

See accompanying notes to financial statements

**Organizacion en California de Lideres Campesinas, Inc.**

**Notes to Financial Statements**

**For the Years Ended June 30, 2008 and 2007**

**NOTE 1 - ORGANIZATIONAL PROFILE**

Organizacion en California de Lideres Campesinas, Inc. (the "Organization") was organized on September 27, 1996 as a nonprofit corporation and subsequently incorporated on March 7, 1997 in the State of California. The Organization is engaged in the prevention and education of domestic violence and improving the working conditions and health of the farmworker women and their families in California.

The Organization provides services through the following major programs:

- Working Conditions  
Educates farmworker women and youth on wage and labor laws, pesticide and field sanitation, child labor law, and sexual harassment on the job. Funded by Jessie Smith Noyes Foundation, Rural Coalition, and The California Wellness Foundation.
- Family Violence  
Educates and assists in the prevention of domestic violence and sexual assault. Funded by the Governor's Office of Emergency Services (formerly Office of Criminal Justice Planning) and Blue Shield of California Foundation.
- Organizational and Leadership Development  
Trains farmworker women in leadership development. Funded by Hispanics in Philanthropy, The California Endowment and the Catholic Campaign for Human Development.
- Youth Program  
Provides education on teen pregnancy, drugs and alcohol, sexual harassment, and exposure to pesticides. Funded by Grousebeck Family Foundation, The California Wellness Foundation, Jessie Smith Noyes Foundation, and Southwest Network.
- Women's Health  
Provides education on women's health and safety. Funded by the California Endowment.

**Organizacion en California de Lideres Campesinas, Inc.**

**Notes to Financial Statements**

**For the Years Ended June 30, 2008 and 2007**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements are presented based on Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS 117 requires classification of the Organization's net assets, revenues and expenses based on the existence or absence of donor imposed restrictions. The statement requires presentation of the amounts for each of the three classes of net assets – Permanently Restricted, Temporarily Restricted, and Unrestricted – in the Statement of Financial Position and the amounts of change in each of those classes of net assets in the Statement of Activities.

**Basis of Accounting**

The Organization's financial statements are prepared on the accrual basis of accounting.

**Use of Estimates**

Management has made a number of estimates and assumptions related to the reporting of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities to prepare these financial statements in accordance with generally accepted accounting principles. Actual results could differ from these estimates.

**Current Vulnerability Due to Concentrations**

During the years ended June 30, 2008 and 2007, the Organization received approximately 92% and 98%, respectively, of its total revenue, in grants and contracts either directly or indirectly from federal and state governments as well as private foundations. The future growth of the Organization will depend upon the success of management to maintain its current revenue source and control costs. However, there can be no assurance that the Organization's management will be successful.



**Organizacion en California de Lideres Campesinas, Inc.**

**Notes to Financial Statements**

**For the Years Ended June 30, 2008 and 2007**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Revenue Recognition**

Revenue from cost reimbursable grants and contracts is recorded to the extent of expenses incurred applicable to the grant or contract. Any difference between expenses incurred and the total funds received (not to exceed the grant or contract maximum) is recorded as a payable, receivable or an advance, whichever is applicable. Revenue from other grants is recognized on an accrual basis as earned according to the provisions of the grant. Revenue from donations is recognized on a cash receipts basis.

**Expense Classification**

The Organization has undertaken numerous projects in order to accomplish its mission. These projects are managed by the Organization's board members and staff. The expenses incurred for these functions are classified in the financial statements as "program" expenses. Expenses incurred in the operation and administration of the Organization are included as part of "management and general" and are allocated to the various program expenses as indirect costs.

**Furniture and Equipment**

Furniture and equipment are recorded at cost and related provision for depreciation is computed on a straight-line basis over estimated useful lives ranging from three to five years. At June 30, 2008 and 2007, furniture and equipment, and related accumulated depreciation are summarized as follows:

	<u>2008</u>	<u>2007</u>
Furniture and Equipment	\$ 26,807	\$ 30,501
Less Accumulated Depreciation	<u>26,807</u>	<u>29,895</u>
Furniture and Equipment, Net	<u>\$ -</u>	<u>\$ 606</u>

Property acquired with federal and/or state funds is considered to be owned by the Organization while used in the program(s) for which it was purchased or in other future authorized programs. Disposition of such equipment and the ownership of any proceeds therefrom is subject to federal and state regulations.

**Organizacion en California de Lideres Campesinas, Inc.**

**Notes to Financial Statements**

**For the Years Ended June 30, 2008 and 2007**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Unrestricted Net Assets**

Contributions and allocations, the uses of which are not restricted by donors or grantors, are recorded in unrestricted net assets.

**Temporarily and Permanently Restricted Net Assets**

Contributions and allocations, the uses of which are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, are recorded in temporarily restricted net assets. Permanently restricted net assets are restricted by donors or grantors to be maintained by the Organization in perpetuity.

At June 30, temporarily restricted net assets consist of:

	<u>2008</u>	<u>2007</u>
The California Endowment - CB	\$ 10,625	\$ 70,808
The California Endowment - Health	-	5,997
Hispanics in Philanthropy	-	435
East Bay Community Foundation	11,995	-
Tides Foundation	-	15,287
Rural Coalition	-	5,000
The James Irvine Foundation	3,097	-
Total Contract Advances	\$ <u>25,717</u>	\$ <u>97,528</u>

**Income Tax Status**

The Organization has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar California law and is not subject to income taxes.

**NOTE 3 - LINE OF CREDIT**

The Organization has a revolving line of credit arrangement with Wells Fargo Bank for a maximum amount of \$40,000. Interest is payable monthly at the bank's index rate of 21%. The balance outstanding under the line of credit as of June 30, 2008 and 2007 were \$35,302 and \$38,440, respectively.

**Organizacion en California de Lideres Campesinas, Inc.**

**Notes to Financial Statements**

**For the Years Ended June 30, 2008 and 2007**

**NOTE 4 - CONTINGENCIES**

The operation of the Organization depends on the availability of governmental and private funding as well as the approval of such funding by the granting agencies. Accordingly, future funding is subject to variation, review and audit by the contracting agencies. Although such audits could generate expenditure disallowances under the terms of the grants or contracts, it is management's opinion that any disallowance and related reimbursements will not be material to the Organization.

**NOTE 5 - RELATED PARTY TRANSACTIONS**

The Organization leases its office facility located in Pomona, California on a month to month basis at a monthly rent of \$1,200. The facility is owned by the Organization's Executive Director.

Organizacion en California de Lideres Campesinas, Inc.  
Schedule of Functional Expenses  
For the Year Ended June 30, 2008

	Working Conditions	Family Violence	Organizational & Leadership Development	Youth Program	Women's Health	Other Program	Management & General	Total
Salaries	\$ 12,899	\$ 105,206	\$ 32,069	\$ 18,913	\$ 27,809	\$ 20,369	\$ 14,529	\$ 231,795
Payroll Taxes/Benefits	2,220	40,241	13,754	5,656	7,226	7,516	5,258	81,871
Accounting/Auditing	-	5,192	1,560	1,060	2,760	1,384	-	11,956
Attorney/Arbitration Fees	-	-	-	-	-	-	29	29
Bank Fees	-	-	-	-	-	-	2,205	2,205
Consulting	-	1,800	600	2,000	17,075	-	-	21,475
Depreciation	-	-	-	-	-	-	606	606
Equipment Lease	33	1,826	690	608	331	774	-	4,263
In-kind	-	2,173	-	-	-	3,092	-	5,264
Interest	-	-	-	-	-	-	9,788	9,788
Liability Insurance	26	845	489	386	460	902	-	3,109
Lodging	-	815	1,638	778	283	460	-	3,974
Meeting Costs	212	4,676	3,596	978	1,281	51	-	10,794
Miscellaneous	-	1,341	2,139	538	2,877	518	-	7,413
Office Rent	400	2,335	1,340	1,165	1,025	705	-	6,969
Office/Program Supplies	124	4,001	3,947	1,134	676	1,445	-	11,327
Postage	17	880	507	147	198	89	-	1,839
Printing	6	840	784	6	997	493	-	3,126
Repairs/Maintenance	21	2,051	601	230	-	350	-	3,253
Telephone/Fax/Internet	269	11,962	2,825	662	4,015	684	1,070	21,488
Travel	265	19,295	9,021	2,604	6,508	2,447	-	40,139
Utilities	39	1,421	580	397	404	482	-	3,323
Worker Compensation Insurance	205	1,608	363	233	514	397	-	3,320
Total Direct Expenses	16,737	208,507	76,502	37,494	74,442	42,159	33,487	489,326
Indirect Expenses	1,230	15,317	5,620	2,754	5,469	3,097	(33,487)	-
Total Expenses	\$ 17,966	\$ 223,824	\$ 82,122	\$ 40,248	\$ 79,910	\$ 45,256	\$ -	\$ 489,326

Organizacion en California de Lideres Campesinas, Inc.  
Schedule of Functional Expenses  
For the Year Ended June 30, 2007

	Working Conditions	Family Violence	Organizational & Leadership Development	Youth Program	Women's Health	Other Program	Management & General	Total
Salaries	\$ 24,241	\$ 121,282	\$ 70,248	\$ 22,293	\$ 54,787	\$ 10,318	\$ 84,614	\$ 387,783
Payroll Taxes/Benefits	7,246	34,696	20,914	6,026	18,237	3,087	25,177	115,383
Accounting/Auditing	1,173	2,700	3,127	391	860	-	2,303	10,554
Attorney/Arbitration Fees	-	-	-	-	-	173	48	221
Consulting	-	1,055	10,631	2,001	7,390	2,814	6,668	30,559
Depreciation	-	-	-	-	-	1,417	396	1,813
Equipment Lease	206	1,677	1,156	180	463	21	1,034	4,737
In-kind	-	-	1,552	-	-	-	433	1,985
Liability Insurance	247	986	854	238	346	5	747	3,423
Lodging	148	3,042	3,488	679	1,936	1,035	2,883	13,211
Meeting Costs	2,460	4,396	15,120	1,024	4,677	4,857	9,080	41,614
Miscellaneous	125	508	485	117	605	3,289	1,432	6,561
Office Rent	1,095	3,651	4,065	1,470	1,603	313	3,404	15,601
Office/Program Supplies	803	3,740	3,936	422	1,939	339	3,119	14,298
Postage	177	1,203	863	164	379	65	796	3,647
Printing	79	373	489	49	172	6	326	1,494
Repairs/Maintenance	128	420	115	28	57	-	209	957
Telephone/Fax/Internet	1,970	9,006	7,094	592	3,932	578	6,467	29,639
Travel	1,436	8,009	15,537	2,141	5,814	4,222	10,371	47,530
Utilities	296	1,047	980	193	441	76	846	3,879
Total Direct Expenses	41,830	197,791	160,654	38,008	103,638	32,615	160,353	734,889
Indirect Expenses	11,674	55,204	44,838	10,608	28,926	9,103	(160,353)	-
Total Expenses	\$ 53,504	\$ 252,995	\$ 205,492	\$ 48,616	\$ 132,564	\$ 41,718	\$ -	\$ 734,889

Organizacion en California de Lideres Campesinas, Inc.  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/ Passthrough Grantor/ Program Title	Pass Through Grantor Number	Grant Period	CFDA Number	Program Award Amount	Expenditures
<b>U.S. Department of Justice</b>					
<i>Passed through the State of California</i>					
<i>Governor's Office of Emergency Services</i>					
Farmerworker Women's Sexual Assault & Domestic Violence	FW07 11 1575	10/01/07 - 9/30/08	16.588	\$ 250,000	\$ 153,239
Farmerworker Women's Sexual Assault & Domestic Violence	FW06 10 1575	10/01/06 - 09/30/07	16.588	\$ 250,000	70,585
<b>Total Expenditures of Federal Awards</b>				<b>\$</b>	<b><u>223,824</u></b>

**Note 1 - Significant Accounting Policies**

The Schedule of Expenditures of Federal Awards presents the federal grant activities of the Organization and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Some amounts presented in this schedule may differ from amounts presented in the basic financial statements.

**Organizacion en California de Lideres Campesinas, Inc.**  
**Schedule of Expenses for Office of Emergency Services**  
**Grant Number FW07 11 1575\***  
**For the Year Ended June 30, 2008**

**Personnel Costs**

Executive Director	\$ 13,095
Director of Programs	3,282
Director of Finance & Administration	6,115
Assistant Coordinator	18,645
Finance Assistant	5,449
Administrative Assistant	935
Program Assistant	8,908
Bookkeeper	4,888
Specialists	10,283
Outreach Worker	3,350
Payroll Taxes	8,594
Worker Compensation Insurance	855
Health Insurance	22,936
<b>Total Personnel Costs</b>	<b>107,335</b>

**Operating Expenses**

Accounting	260
Audit	1,500
Building Maintenance	155
Childcare	365
Equipment Lease	1,613
Gasoline	2,231
Liability Insurance	581
Lodging	286
Meals	1,891
Mileage	7,161
Miscellaneous	5,263
Office Rent	1,140
Per Diem	364
Postage	803
Printing	775
Program Supplies	219
Registration	10
Stipend	1,790
Supplies	2,171
Telephone/Internet	10,744
Travel	5,788
Utilities	794
<b>Total Operating Expenses</b>	<b>45,904</b>
<b>Total Expenses</b>	<b>\$ 153,239</b>

\* Grant Period: 10/01/07 - 9/30/08  
Grant Amount: \$250,000

**Organizacion en California de Lideres Campesinas, Inc.**  
**Schedule of Expenses for Office of Emergency Services**  
**Grant Number FW06 10 1575\***  
**For the Year Ended June 30, 2008**

**Personnel Costs**

Executive Director	\$ 5,523
Director of Programs	3,251
Director of Finance & Administration	3,780
Assistant Coordinator	9,810
Finance Assistant	1,010
Administrative Assistant	243
Program Assistant	2,207
Bookkeeper	2,966
Outreach Specialist	8,109
Payroll Taxes	2,809
Worker Compensation Insurance	818
Health Insurance	7,356
<b>Total Personnel Costs</b>	<b>47,882</b>

**Operating Expenses**

Accounting	308
Audit	3,124
Airfare	420
Building Maintenance	1,007
Childcare	520
Consulting	1,800
Equipment Lease	388
Equipment Maintenance	889
Gasoline	553
Liability Insurance	264
Lodging	529
Mileage	1,375
Miscellaneous	4,020
Office Rent	1,020
Per Diem	352
Postage	77
Printing	65
Stipend	780
Supplies	1,611
Telephone/Internet	1,808
Travel	1,165
Utilities	628
<b>Total Operating Expenses</b>	<b>22,703</b>
<b>Total Expenses</b>	<b>\$ 70,585</b>

\* Grant Period: 10/01/06 - 9/30/07  
Grant Amount: \$250,000





**Report of Independent Auditors on Compliance and on Internal Control  
Over Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

**To the Board of Directors of  
Organizacion en California de Lideres Campesinas, Inc.**

We have audited the financial statements of Organizacion en California de Lideres Campesinas, Inc. (a nonprofit organization) as of and for the year ended June 30, 2008 and have issued our report thereon dated April 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of Organizacion en California de Lideres Campesinas, Inc. are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants and *Office of Emergency Services (OES) Grantee Handbook*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Organizacion en California de Lideres Campesinas, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organizacion en California de Lideres Campesinas, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Organizacion en California de Lideres Campesinas, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Organizacion en California de Lideres Campesinas, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Organizacion en California de Lideres Campesinas, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Organizacion en California de Lideres Campesinas, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Organizacion en California de Lideres Campesinas, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Sahica Herrera, Castles, LLC*

Upland, California

April 3, 2009



**Report of Independent Auditors on Compliance with Certain Provisions  
of the Office of Emergency Services (OES) Grantee Handbook**

**To the Board of Directors of  
Organizacion en California de Lideres Campesinas, Inc.**

Compliance

We have audited the compliance of Organizacion en California de Lideres Campesinas, Inc. (a nonprofit organization) with certain provisions of the *Office of Emergency Services (OES) Grantee Handbook* for Farmworker Women's Sexual Assault & Domestic Violence Program for the year ended June 30, 2008. Compliance with the requirements of laws, regulations, contracts, grants and the *OES Grantee Handbook* applicable to Farmworker Women's Sexual Assault & Domestic Violence Program is the responsibility of the management of Organizacion en California de Lideres Campesinas, Inc. Our responsibility is to express an opinion on Organizacion en California de Lideres Campesinas, Inc.'s compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and certain provisions of the *OES Grantee Handbook*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Farmworker Women's Sexual Assault & Domestic Violence Program occurred. An audit includes examining, on a test basis, evidence about Organizacion en California de Lideres Campesinas, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Organizacion en California de Lideres Campesinas, Inc.'s compliance with those requirements.

In our opinion, Organizacion en California de Lideres Campesinas, Inc. complied, in all material respects, with the requirements referred to above that are applicable to Farmworker Women's Sexual Assault & Domestic Violence Program for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with the *OES Grantee Handbook* for Farmworker Women's Sexual Assault & Domestic Violence Program which is described in the accompanying schedule of findings and questioned costs as Finding 08-01.

Internal Control over Compliance

Organizacion en California de Lideres Campesinas, Inc.'s management is responsible for establishing and maintaining effective internal control over compliance with certain provisions of the *OES Grantee Handbook* for Farmworker Women's Sexual Assault & Domestic Violence Program. In planning and performing our audit, we considered Organizacion en California de Lideres Campesinas, Inc.'s internal control over compliance with requirements that could have a direct and material effect on OES grants in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Organizacion en California de Lideres Campesinas, Inc.'s internal control over compliance.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Organizacion en California de Lideres Campesinas, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a

remote likelihood that a misstatement of Organizacion en California de Lideres Campesinas, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Organizacion en California de Lideres Campesinas, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Organizacion en California de Lideres Campesinas, Inc.'s internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sageon Hillier & Casillas, Ltd

## Upland, California

April 3, 2009

**Organizacion en California de Lideres Campesinas, Inc.**  
**Schedule of Current Year Audit Findings for Office of Emergency Services (OES)**  
**CFDA # 16.588**  
**For the Year Ended June 30, 2008**

**Finding 08-01**

*Condition*

Our review of fiscal and program reports disclosed that 4 out of 12 reports tested were submitted late to the OES. These reports were submitted late by 44 to 96 days.

*Criteria*

OES requires submission of the following reports within thirty days after the end of the reporting period:

- Report of Expenditures and Request for Funds

*Recommendation*

The Organization should ensure that all required reports are submitted on time to avoid possible sanctions by the granting agency. Requests for funds and/or claims for reimbursements should also be submitted timely. This will ensure compliance with program requirements and potentially improve the Organization's cash flow.

*Management Response*

During September 2007 the Organization was awaiting application approval from the OES for additional funding. This approval occurred on December 18, 2007. After such time Reports of Expenditures and Request for Funds for the four month period of September through December 2007 were immediately prepared and submitted.

We believe that management's response accurately describes the cause of the condition and that the Organization generally complied with OES regulations and will continue to strive to eliminate any delays in report submission.

**Organizacion en California de Lideres Campesinas, Inc.**  
**Status of Prior Year Audit Findings for Office of Emergency Services (OES)**  
**CFDA # 16.588**  
**For the Year Ended June 30, 2008**

**Finding 07-01**

*Condition*

Prior Auditor's review of fiscal and program reports disclosed that 2 out of 15 reports tested were submitted late to the OES. These reports were submitted late by 8 to 34 days.

*Criteria*

OES requires submission of the following reports within thirty days after the end of the reporting period:

- Report of Expenditures and Request for Funds (monthly)
- Progress reports (1<sup>st</sup> quarter, six-month period and annual)

*Recommendation*

The Organization should ensure that all required reports are submitted on time to avoid possible sanctions by the granting agency. Requests for funds and/or claims for reimbursements should also be done timely. This will not only ensure compliance with program requirements. It will also improve the Organization's cash flow.

*Management Response*

The position of Finance Assistant and Finance/Administrative Director were filled in November 2006 and April 2007, respectively. Thus, the above issue has been addressed during the year.

*Status*

A similar finding is discussed in finding 08-01.